

January 31, 2006

Publication 1346 Part I - File Specification Changes #8

The changes are identified by two vertical bars in the right margin (||).  
Deletions are identified by a hyphen followed by two vertical bars (-||).

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These changes will be implemented nationwide February 1, 2006.

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ERC 0178	Removed Form 5884-A and "TRANS ALASKA"
ERC 0237	Added a new bullet
ERC 0385	Revised dollar amounts
ERC 0387	Revised dollar amounts
ERC 0684	Corrected Seq 0171 for Paper Document Indicator 9 and 10
ERC 0720	Revised text
ERC 0722	Removed Form 5884-A and "TRANS ALASKA"

Highlights for TY 2005 were revised

Attachment 6 - CLARIFICATION OF NON-PAID AND PAID PREPARER FIELDS was revised

## ATTACHMENT 1

### ERROR REJECT CODE (ERC) CROSS REFERENCES

<u>ERC</u>	<u>DESCRIPTION</u>
0178	<ul style="list-style-type: none"><li>o Form 1040 - When Specify Other Credit Block (SEQ 1006) equals "X", one of the following forms must be present: Form 3468, Form 5884, Form 6478, Form 6765, Form 8586, Form 8820, Form 8826, Form 8830, Form 8834, Form 8835, Form 8844, Form 8845, Form 8846, Form 8847, Form 8860, Form 8861, <b>Form 8864</b>, Form 8874, Form 8881, Form 8882 or <b>Form 8896</b>.</li></ul>
0237	<ul style="list-style-type: none"><li>o When Filing Status (Seq 0130) of the Tax Form equals "2", SSN of Taxpayer with Employee Business Expense (SEQ 0009) of 2106 page 1 and SSN of Taxpayer with Employee Business Expense (SEQ 0133) of 2106 page 2 must equal the appropriate SSN, either Primary SSN (SEQ 0010) or Secondary SSN (SEQ 0030) of the Tax Form.</li><li>o When only one Form 2106 is present for an individual (primary or secondary), Page 2 need not be transmitted if there are no entries for that page, but Page 2 cannot be present without Page 1.</li><li>o When two Forms 2106 are present for an individual (primary or secondary), Page 1 must be present for the first form, Page 1 may not be present for the second form, and Page 2 must be present for both forms. (The second form is for additional vehicles only. Refer to Form 2106 Instructions for possible allocation from one Form 2106 in the case of expenses of reservists, Qualified Performing Artists, etc.)</li><li>o When Form 2106 is present for an individual (primary or secondary), Form 2106-EZ may not be present for that individual.</li></ul>
0385	<ul style="list-style-type: none"><li>o Form 8863 - <b>The following limits apply to each Hope Credit student in Part I. Qualified Expenses Paid in the Current Tax Year (SEQ 0040, 0110, 0180 statement) cannot exceed \$4000. Smaller of Exp Paid in Current TY or \$1000 (SEQ 0050, 0120, 0190, statement) cannot exceed \$2000. Enter 1/2 of the Amt in Column E (SEQ 0070, 0140, 0210, statement) cannot exceed \$3000.</b></li></ul>
0387	<ul style="list-style-type: none"><li>o Form 8863 - <b>Tentative Hope Credit (SEQ 0240) cannot exceed an amount equal to \$3000 multiplied by the number of Hope Credit students in Part I. If the number of Hope Credit students is zero, Tentative Hope Credit (SEQ 0240) cannot be positive.</b></li><li>o <b>Tentative Lifetime Learning Credit (SEQ 0470) cannot exceed \$4000 regardless of the number of Lifetime Learning Credit students. If the number of Lifetime Learning Credit students is zero, Tentative Lifetime Learning Credit (SEQ 0470) cannot be positive.</b></li><li>o Education Credits (SEQ 0590) cannot exceed the sum of Tentative Hope Credit (SEQ 0240) and Tentative Lifetime Learning Credit (SEQ 0470).</li></ul>

## ATTACHMENT 1

### ERROR REJECT CODE (ERC) CROSS REFERENCES

<u>ERC</u>	<u>DESCRIPTION</u>	
0684	o Authentication Record - When the PIN TYPE Code (SEQ 0008) is equal to "P", "S" or "O", then the Paper Document Indicator 1 (SEQ 0150) or Paper Document Indicator 2 (SEQ 0153) or Paper Document Indicator 3 (SEQ 0156) or Paper Document Indicator 4 (SEQ 0159) or Paper Documents Indicator 5 (SEQ 0162) or Paper Document Indicator 6 (SEQ 0165) or Paper Document Indicator 7 (SEQ 0168) or Paper Document Indicator 8 (SEQ 0171) or Paper Document Indicator 9 (SEQ 0174) or Paper Document Indicator 10 (SEQ 0177) of Summary Record cannot be present.	
0720	o Form 3800 - <b>When Form 5884-A is present, Form 3800 must be present.</b>	
	o <b>When Form 5884-A is not present</b> , but any two or more of the following forms are present, Form 3800 must be present: Form 3468, Form 5884, Form 6765, Form 8586, Form 8820, Form 8826, Form 8830, Form 8835, Form 8845, Form 8846, Form 8847, Form 8861, <b>Form 8864</b> , Form 8874, Form 8881, Form 8882 or <b>Form 8896</b> .	
0722	o Form 1040 - When Other Credits (SEQ 1015) is significant, at least one of the following forms must be present: Form 3468, Form 3800, Form 5884, Form 6478, Form 6765, Form 8586, Form 8801, Form 8820, Form 8826, Form 8830, Form 8834, Form 8835, Form 8844, Form 8845, Form 8846, Form 8847, Form 8860, Form 8861, <b>Form 8864</b> , Form 8874, Form 8881, Form 8882 or <b>Form 8896</b> .	-    -

## HIGHLIGHTS FOR TAX YEAR 2005

### Form 8453/8453-OL

Two Submission Processing Centers will process TY2005 Forms 8453 (*U.S. Individual Income Tax Declaration for an IRS e-file Return*) and Forms 8453-OL (*U.S. Individual Income Tax Declaration for an IRS e-file Online Return*). Andover will process forms for returns transmitted to Andover and Kansas City. Austin will process forms for returns transmitted to Austin, Fresno and Philadelphia. A return accepted with an electronic signature method (PIN) does not require submission of a Form 8453/8453-OL.

Acceptable attachments to Tax Year 2005 Form 8453, U.S. Individual Income Tax Declaration for an IRS e-file Return or Form 8453-OL, U.S. Individual Income Tax Declaration for an IRS e-file Online Return, include:

- Form 1098-C, *Contributions of Motor Vehicles, Boats, and Airplanes* (or acceptable documentation/required donor documentation) ||
- Form 3115, *Application for Change in Accounting Method* ||
- Form 3468, *Investment Credit*, if Historic Structure Certificate is required //
- Form 4136, *Credit for Federal Tax Paid on Fuels*, if certificate and/or reseller statement is required ||
- Form 5713, *International Boycott Report* ||
- Form 8283, *Noncash Charitable Contributions*, Section A, if statement(s) required, or Section B, Donated Property ||
- Form 8332, *Release of Claim to Exemption for Child of Divorced or Separated Parents* (or similar statement) //
- Form 8858, *Information Return of U.S. Persons With Respect To Foreign Disregarded Entities* ||
- Form 8864, *Biodiesel and Renewable Diesel Fuels Credit*, if certificate and/or reseller statement is required ||
- Form 8885, *Health Coverage Tax Credit* ||
- Schedule D-1, *Continuation Sheet for Schedule D (Form 1040)* (or acceptable substitute), if taxpayer elects not to include their transactions on the electronic STCGL/LTCGL Records. ||

NOTE: Taxpayers required to file the above forms are not eligible to use a PIN signature method. Paper Document Indicator(s) must be entered in the appropriate field(s) of the Summary Record. ||

### Schedule D-1, Continuation Sheet for Schedule D (Form 1040)

Electronic filers may attach Schedules D-1, or acceptable substitutes, to Form 8453, *U.S. Individual Income Tax Declaration for an IRS e-file Return* or Form 8453-OL, *U. S. Individual Income Tax Declaration for an IRS e-file Online Return*, although a paper document indicator is not currently available. The Summary Record is expected to be revised to include a paper document indicator for Schedules D-1 or acceptable substitutes effective March 1, 2006. ||

Taxpayers who elect to submit paper Schedules D-1 or acceptable substitutes are ineligible to use a Personal Identification Number (PIN) signature method. We encourage Schedule D filers who are otherwise eligible to use a PIN signature method to use the Short or Long Term Capital Gain or Loss Records (STCGL/LTCGL) in place of Schedule D-1 attachments whenever possible. ||

### Online Filing Transmissions

Transmitters of online returns are reminded to follow transmission rules contained in Section 1 - Data Communication, "Processing for 1040 e-file in 2006".

In accordance with Publication 1345, *Handbook for Authorized IRS e-file Providers of Individual Income Tax Returns*, transmitters of online returns must include the letter "O" in the Transmission Type Code field (SEQ 0170) of the TRANA record. In addition, transmitters must ensure an online Electronic Filing Identification Number (EFIN) is used.

## ATTACHMENT 6 (continued)

### CLARIFICATION OF NON-PAID AND PAID PREPARER FIELDS AND FORM 8453

#### 7. Form 8453, U.S. Individual Income Tax Declaration for an IRS e-file Return

An Authorized IRS *e-file* Provider must mail Form(s) 8453 to the **applicable Submission Processing Center** within three business days after receiving acknowledgment that the return was accepted by IRS. An electronically submitted tax return is not considered filed until IRS receives a complete and signed Form 8453. Your failure to comply with this requirement may result in suspension from the IRS *e-file* program.

These instructions do not apply to tax returns filed using an electronic signature method such as Self-Select PIN or Practitioner PIN. The PIN Presence Indicator field (0065) in the Acknowledgment Key Record indicates if the electronic signature was received by IRS or if Form 8453 is required. If the electronic signature was received by IRS, Form 8453 is **not** required.

Acceptable attachments to TY2005 Form 8453 include:

- **Form 1098-C, Contributions of Motor Vehicles, Boats, and Airplanes**  
(or acceptable documentation/required donor documentation)
- Form 3115, Application for Change in Accounting Method
- Form 3468, Investment Credit, **if** Historic Structure Certificate **is required**
- **Form 4136, Credit for Federal Tax Paid on Fuels, if certificate and/or  
reseller statement is required**
- Form 5713, International Boycott Report
- Form 8283, Noncash Charitable Contributions, Section A, if statement(s)  
**required** or Section B, **Donated Property**
- Form 8332, Release of Claim to Exemption for Child of Divorced or  
Separated Parents (**or similar statement**)
- Form 8858, Information Return of U.S. Persons With Respect To  
Foreign Disregarded Entities
- **Form 8864, Biodiesel and Renewable Diesel Fuels Credit, if Certificate  
and/or reseller statement is required, and**
- Form 8885, Health Coverage Tax Credit
- **Schedule D-1, Continuation Sheet for Schedule D (Form 1040)**  
(or acceptable substitute), if taxpayer elects not to include their  
transactions on the electronic STCGL/LTCGL Records.

NOTE: Paper Document Indicator(s) must be entered in the appropriate field(s) of the Summary Record.

**In addition to the above listed forms, a Power of Attorney should be attached to Form 8453 if the Power of Attorney authorizes the agent to sign for the taxpayer.**

Do not attach Forms W-2, W-2G, W-2GU and 1099-R to the Form 8453 that is mailed to the IRS. Authorized IRS *e-file* Providers are required to retain copies of Forms W-2, W-2G, W-2GU and 1099-R with their records. **Form 8822, Change of Address, Form 8379, Injured Spouse Claim and Allocation, or Form 9465, Installment Agreement Request, should not be attached to Form 8453.** Only one Form 8453 should be mailed to the IRS for each accepted return.

Send Form(s) 8453 to the Submission Processing Center identified in Section 1 - Data Communication, "Processing for 1040 *e-file* in 2006". Use the appropriate mailing address below:

Internal Revenue Service  
Attn: Shipping and Receiving, 0254  
Receipt and Control Branch  
Austin, TX 73344-0254

**O  
R**

Internal Revenue Service  
Attn: Shipping and Receiving, 0254  
Receipt and Control Operations  
Andover, MA 05544-0254